

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

FIRST-CLASS MAIL AND PERIODICALS
SERVICE STANDARD CHANGES, 2021

Docket No. N2021-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE INSTITUTIONAL
WITNESS (SHARON OWENS) TO STEVE HUTKINS INTERROGATORIES AND
REQUESTS FOR PRODUCTION OF DOCUMENTS TO UNITED STATES POSTAL
SERVICE**

(SH/USPS-1 to 4)¹
(May 25, 2021)

The United States Postal Service hereby provides the responses of institutional witness Sharon Owens to Steve Hutkins institutional interrogatories and requests for production of documents to the United States Postal Service (SH/USPS-1 to 4), issued on May 18, 2021. Each question is stated verbatim and followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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May 25, 2021

¹ These requests were directed to the Postal Service institutional witness, renumbered to conform to Commission practice.

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SH/USPS-1. Please refer to the 10-Year Strategic Plan, “Delivering for America: Our Vision and Ten-Year Plan to Achieve Financial Sustainability and Service Excellence.” Please refer to these two tables in Appendix A: Figure 28, “The Postal Service Base Case 10 Year Financial Projection” (p. 46) and Figure 35, “10-Year Delivering for America Projected Profit and Loss Statement – With USPS Initiatives” (p. 51).

Please confirm that the volume and revenue projections in Figure 28 (for Total Mail and Package Volume, Market Dominant Revenue and Competitive Revenue) *do not* factor in the volume that may be lost due to use of the new price cap on Market Dominant products and the due to a change in service standards (as discussed in the testimony of Mr. Thress), whereas the revenue projections in Figure 35 *do* factor in these projected losses. If not confirmed, please explain.

RESPONSE:

The volume and revenue projections in Figure 28 (for Total Mail and Package Volume, Market Dominant Revenue and Competitive Revenue) ***do not*** factor in the volume that may be lost due to use of the new price cap on Market Dominant products or due to a change in service standards (as discussed in the testimony of Mr. Thress). Scenario 28 shows the Postal Service’s baseline forecast before initiatives, and so does not factor in the impact of any initiatives.

The revenue projections in Figure 35 ***do*** factor in the volume that may be lost due to use of the new price cap on Market Dominant Products and ***do not*** factor in the volume that may be lost due to a change in service standards. The volume loss from the new price cap on Market Dominant products is included in the volume and revenue forecast which provides the basis for Table 35. However, the volume impact of the change in service standards was included only in the net financial impact of that initiative. The primary impact of the service standards initiative is a reduction in expenses, and so the total financial impact of the initiative – including lost revenue due to volume loss – was factored into the expense and net income projections on table 35.

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Due to the inherent uncertainty in attempting to assess the impact of service standard changes on volumes, a range of financial impacts was also used to develop the ranges in tables 30, 33, and 34.

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SH/USPS-2. If the revenue projections in Table 35 do factor in projected revenue losses due to the new price cap and changing service standards, please provide projections for annual mail and package volume with these initiatives, similar to the row for volumes in Table 28.

RESPONSE:

The following table shows the volume projections (in billions) which underlie Table 35:

	Forecast FY2021	Forecast FY2022	Forecast FY2023	Forecast FY2024	Forecast FY2025	Forecast FY2026	Forecast FY2027	Forecast FY2028	Forecast FY2029	Forecast FY2030	10 Yr. Total
	115.9	111.9	108.9	103.9	99.6	93.8	90.0	85.2	81.6	76.8	967.5

However, these volume projections do not include the impact of changes in service standards; as explained in the previous answer, the volume loss in the service standards initiative was factored into the expense and net income projections in Table 35, but was not applied to the total volume which underlies the table or to the revenue forecast in that table.

A full analysis of the specific changes to service standards is available in an Econometric Analysis of Impact of Delivery Service Standards, filed in this docket on April 21, 2021, in library reference LR-N2021-1-5 (note that this report was not completed until after the publication of “Delivering for America”).

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SH/USPS-3. Please provide a copy of the pages of the TARL/TISR technical report list index for the subject heading "Service Standards."

RESPONSE:

The Postal Service interprets this request to refer to the "Subject Index" within the Reports Collection (TARL & TISR) index that was printed on September 8, 1989. "Service Standards" is not among the List of Subject Terms for such Subject Index. Accordingly, the Postal Service has no documents responsive to this request. The 1989 index also included a "Title List" in addition to the "Subject Index." Two of the titles on the Title List contained the phrase "Service Standard" or "Service Standards." The Postal Service is producing copies of the pages from the Title List that listed these two titles, which corresponded to the TARL 0042 report (from 1970) and the TARL 1160 report (from 1972). These copies are attached to this response.

9/8/89

TITLE LIST

**REPORTS COLLECTION (TARL & TISR)
U. S. POSTAL SERVICE LIBRARY**

All reports are listed in alphabetical order by title. Citations include the title, report number, corporate author(s), date of publication, and when available reel/document number (for TISR reports on microfilm), and notes.

TISR 0753 Applications of statistics in post office automation. By: American Statistician. Date: 10/61. Reel/Doc: 32/18. Note: Published in The American Statistician, October 1961, pp 14-18.

TISR 0580 Appraisal of the cost ascertainment system of the Post Office Department. By: United States. Post Office Dept. Bureau of Finance and Administration. Date: 7/53. Reel/Doc: 27/40.

TARL 0878 Arson for profit. By: United States. General Accounting Office. Date: 4/5/78.

TARL 0481 Arthur D. Little's reports to the President's Commission on Postal Organization. By: Arthur D. Little, Inc. Date: 1968.

TISR 0958 Assembly, operating and servicing instructions for culling and facer conveyor : models CF-89-17, CF-89-25, CO-89-17 and CO-89-25 - methods handbook series M-47. By: Fruehauf Corporation. Date: 12/66. Reel/Doc: 39/5.

TISR 1927 Assesment of risk in costing, scheduling, and performance : methodology report no. 2. By: United States. Post Office Dept. Bureau of Research and Engineering. Date: 8/69. Reel/Doc: 82/11. Note: SEE also TISR 144.

TISR 0144 Assessment of risk in costing, scheduling and performance. By: Texas A&M University. Date: 00/00/00. Reel/Doc: 4/12.

TISR 1684 Assessment of risk in costing, scheduling, and performance : methodology report no. 2. By: United States. Post Office Dept. Bureau of Research and Engineering. Date: 8/69. Reel/Doc: 69/9. Note: SEE also TISR 144.

TARL 0623 Assessment of the impact of metric conversion on the U.S. Postal Service. By: United States. Postal Service. Research and Engineering Dept. Date: 8/79.

TARL 1019 Assessment of the impact of preventive maintenance on the performance of the bar code sorter. By: American University. Date: 04/86.

TARL 1160 Assessment of the statistical validity of the ODIS bi-weekly Service Standard Achievement Reporting system. By: MITRE Corporation. Date: 06/19/72. Note: Contract no. 72-1-01704.

TARL 0216 Attitudes and work-group characteristics of postal employees ... Los Angeles, Calif. By: University of Southern California. Date: 12/68.

TARL 0709 Attitudes toward 9-digit zip code. By: United States. Postal Service. Customer Services Dept. Date: 1980.

TARL 0519 Readership survey of circulation of Postal Life magazine : final report. By: Applied Management Sciences. Date: 1/18/74.
Note: SEE also TARL 327.

TISR 1741 Real - time computerized vehicle traffic control system : monthly progress report covering February, 1971. By: Computer Identics Corporation. Date: 3/71. Reel/Doc: 73/4.

TISR 1926 Real time computerized vehicle traffic control system. By: Computer Identics Corporation. Date: 5/71. Reel/Doc: 81/6.
Note: SEE also TISR 1741.

TISR 1448 Receiving chute arrangement test. By: United States. Post Office Dept. Bureau of Research and Engineering. Date: 3/69. Reel/Doc: 60/9.

TARL 1228 Recognition of handwritten address ZIP codes : first interim report. By: State University, College at Buffalo. Date: 08/87.
Note: Contract no. 104230-84-D-0962. SEE also TARL 1046, TARL 1047 and TARL 1048.

TARL 0042 Recommendation for service standards for Bulk Mail Facility. By: United States. Postal Service. Customer Services Dept. Date: 10/15/70.

TISR 1248 Recommendations on error checking consoles : training equipment. By: United States. Post Office Dept. Bureau of Research and Engineering. Date: 2/67. Reel/Doc: 52/32.

TISR 0464 Recommended approach to code content research : research paper no. P-597 : first draft. By: Institute for Defense Analyses. Date: 2/70. Reel/Doc: 20/5.

TISR 1643 Recommended approach to code content research : research paper P-597. By: Institute for Defense Analyses. Date: 5/70. Reel/Doc: 66/8.
Note: IDA log number HQ 70-11091.

TARL 0448 Recommended letter mail extraction codes for ten postal facilities. By: United States. Postal Service. Research Dept. Date: 8/72.
Note: SEE also TARL 89, 103, 218.

TISR 1065 Recommended standard components for carrousel parcel sorter machines. By: United States. Post Office Dept. Date: 7/67. Reel/Doc: 46/21.

TISR 1029 Recommended standard components for monorail bucket - type sack sorter machines. By: United States. Post Office Dept.; United States. Post Office Dept. Bureau of Operations. Date: 6/67. Reel/Doc: 47/20.

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SH/USPS-4. Please provide a copy of the title page and table of contents for each of the TARL/TISR technical reports categorized under the heading "Service Standards" in that report index.

RESPONSE:

Not applicable; see response to SH/USPS-3 and attachment. The Postal Service is producing copies of the title page and table of contents from the TARL 1160 report (from 1972), but was unable to locate a copy of the TARL 0042 report (from 1970). These copies are attached to this response.



MTR-6202

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ASSESSMENT OF THE STATISTICAL VALIDITY OF THE ODIS BIWEEKLY SERVICE STANDARD ACHIEVEMENT REPORTING SYSTEM

J. W. OVERBEY, II

R. M. HELFAND

J. T. MASSEY

V. D. WENK

Contract No.: 72-1-01704

Contract Sponsor: U. S. Postal Service

Project No.: 1960

TARL 1160

19 JUNE 1972

ASSESSMENT OF THE
STATISTICAL VALIDITY OF
THE ODIS BI-WEEKLY...

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